GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1253
ANSWERED ON:21.08.2007
INVESTMENT BY FOREIGN COMPANIES
Tripathy Shri Braja Kishore

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government proposes periodical review of investments made by companies from China, Taiwan, Pakistan, Afghanistan, Bangladesh etc.;

(b) if so, the details thereof;

(c) if not, the reasons therefore; and

(d) the name and agency authorised to scrutinise foreign investments in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a) to (d): Foreign Direct Investment (FDI) policy is incorporated in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 under the Foreign Exchange Management Act. These Regulations indicate the countries from where investment is not permitted. There is no restriction on investment from China and Taiwan. However, Regulations made under the FEMA prohibit FDI from either individuals or incorporated entities of Pakistan and Bangladesh. Section 13 of the FEMA, 1999 provides for imposition of penalty after adjudication, for contravention of the provisions of the Act or Rules/Regulations.